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June 4, 1998

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HAND-DELIVERED

Mr. A. Richard Metzger, Chief
 Common Carrier Bureau
 Federal Communications Commission
 1919 M Street, Room 500
 Washington, D.C. 20554

Re: RM 9258

Dear Mr. Metzger:

On May 7, 1998, TSR Wireless LLC ("TSR Wireless") submitted "Comments" in the above-referenced proceeding, which was established pursuant to the Commission's Public Notice, "Connecticut Department Of Public Utility Control Files Petition For Rulemaking, Public Comment Invited," RM 9258, DA 98-743 (released April 17, 1998).

In its Comments, TSR Wireless opposed the Petition For Rulemaking ("Petition") filed by the Connecticut Department of Public Utility Control ("DPUC") wherein the DPUC requested that the Commission reverse its prior decisions and policies prohibiting the implementation by state public utility commissions of service-specific area code overlays ("Service-Specific Overlays") as a method of addressing area code exhaustion. Specifically, TSR Wireless demonstrated that the DPUC's proposal is contrary to the Commission's continuing efforts to encourage competition among all telecommunications providers and TSR Wireless further demonstrated that the implementation of non service-specific area code overlays ("All Services Overlays") effectively address area code shortages while not running afoul of the Commission's pro-competition policies and Rules.¹

In its Comments, TSR Wireless refuted the DPUC's primary justification for requesting the Commission to reverse its prohibition on the utilization of Service Specific Overlays, namely, that "no competition between the wireline and wireless industries currently exists. Nor does it appear that competition

¹See TSR Wireless's Comments, p.5-7.

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between the two industries will exist in the very near future."² In this regard, TSR Wireless is submitting the instant letter to supplement its showing in the Comments with respect to the state of competition between the wireline and wireless industries.

Specifically, on May 14, 1998, the Commission announced its adoption of a Third Annual Commercial Mobile Radio Service Competition Report ("Third Report") which examines the current state of Commercial Mobile Radio Service ("CMRS") competition.³ In a statement appended to this announcement ("Statement"), Chairman Kennard confirmed that CMRS/wireline competition is a primary goal of the Commission. In this regard, Chairman Kennard noted, in part, as follows:

Finally, the report suggests that some wireless providers are gearing up to compete against wireline providers. We should explore every available opportunity to promote that competition. Our exploration should include using the regulatory authority we now have to hasten the day when consumers begin to view wireless as a real substitute for wireline, and not just a complement. We should also recognize Congress's important role in promoting competition. I believe we should work with Congress to eliminate regulatory obstacles to the development of fixed, as well as mobile, wireless communications services. It would be also be helpful for Congress to eliminate obstacles to the rapid deployment of wireless services.⁴

Based on the above, it is now eminently clear that the DPUC's request that the Commission authorize Service Specific Overlays is based on the incorrect assumption that competition does not, and indeed will not, exist between the wireline and wireless industries. TSR Wireless respectfully submits the imposition of Service Specific Overlays at this time would constitute precisely the type of "regulatory obstacle[]" to wireline/wireless

²Petition, p.8; See Comments at 5-6.

³See News Release, "FCC Adopts Third Annual Report To Congress On State Of CMRS Competition", Report No. WT 98-13 (released May 14, 1998) ("News Release"). A copy of the News Release is attached hereto as Exhibit 1. The Third Report has not yet been released by the Commission.

⁴Statement, p.1.

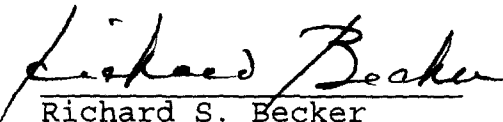
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competition that Chairman Kennard warned against in his May 14, 1998 Statement.

Accordingly, for the reasons specified in TSR Wireless's Comments, as supplemented by the instant letter, TSR Wireless reiterates its opposition to the DPUC's request that the Commission reverse its prohibition on Service-Specific Overlays. TSR Wireless further respectfully reiterates its position, as specified in the Comments, that All-Services Overlays should effectively and fairly address telephone numbering shortages of the kind currently being experienced in Connecticut, as well as many other States faced with similar numbering shortages.

Respectfully submitted,

TSR WIRELESS LLC

By: 
Richard S. Becker
James S. Finerfrock
Jeffrey E. Rummel

Its Attorneys

Enclosure

Exhibit 1

FCC May 14, 1998 News Release



News media information 202 / 418-0500
 Fax-On-Demand 202 / 418-2830
 Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

Federal Communications Commission
 1919 - M Street, N.W.
 Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 388 (D.C. Cir. 1974).

Report No. WT 98-13

WIRELESS TELECOMMUNICATIONS ACTION

May 14, 1998

FCC Adopts Third Annual Report to Congress On State of CMRS Competition
Report Observes that Competition in Mobile Telephony and Other Services Is Healthy

Today, the Commission adopted its *Third Annual Commercial Mobile Radio Service (CMRS) Competition Report (Third Report)*. Citing to various industry reports, the *Third Report* evaluates various CMRS product categories and concludes that progress has been made toward competition over the past year, particularly in the mobile telephony market. More competition, the report observes, has meant lower prices, more choices and new cutting edge technologies for American consumers.

The *Third Report* evaluates competition from the perspective of the consumer -- a different approach from prior reports that analyzed competition based on regulatory and legal definitions of service offerings alone. Specifically, the *Third Report* considers three established CMRS product categories known to consumers: mobile telephony, paging/messaging and dispatch. The following is observed concerning the competitive landscape of these three CMRS product categories:

Mobile Telephony: In the past year, the mobile telephony market has achieved new highs in subscribership -- with 55 million subscribers representing 20 percent of the nation's population subscribing to service at the end of 1997. This represents an increase of over 11 million new subscribers during 1997. The *Third Report* finds that mobile telephony is an important engine of economic growth in the CMRS marketplace. According to the report, the most dramatic development in mobile telephony has been the entry of new broadband Personal Communications Services (PCS) and digital Specialized Mobile Radio (SMR) providers into most major markets across the country. As a result of these new entrants, prices have been falling and service offerings have become more diverse.

Paging/Messaging: The report observes that the paging and messaging industry is highly competitive. New and innovative product offerings, such as two-way messaging, voice mail, and data transmission (e.g, stock quotes and short e-mail messages), are being offered in an expanding paging/messaging marketplace.

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Traditional Dispatch According to the *Third Report*, the dispatch industry has seen a year where the deployment of digital technology has allowed for a greater range of mobile messaging, mobile data and vehicle location services. In addition, traditional dispatch operators are now offering more mobile telephony services in addition to traditional dispatch services.

The *Third Report* will be submitted to Congress as required under Section 332(c)(1)(C) of the Communications Act.

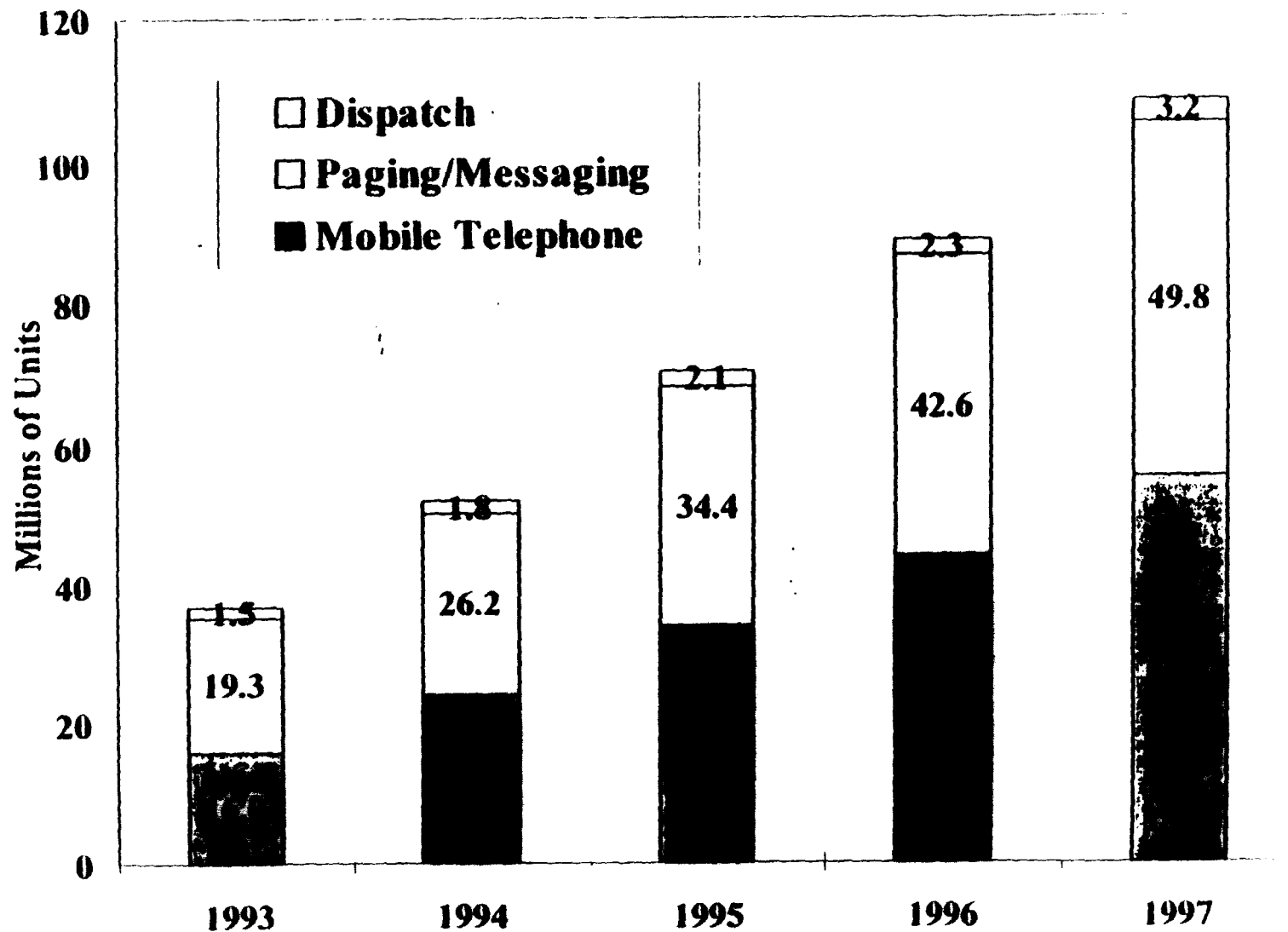
Action by the Commission, May 14, 1998, by *Third Report* (FCC 98-xx).
Commissioners

-FCC-

News Media contact: Meribeth McCarrick at 202-418-0654

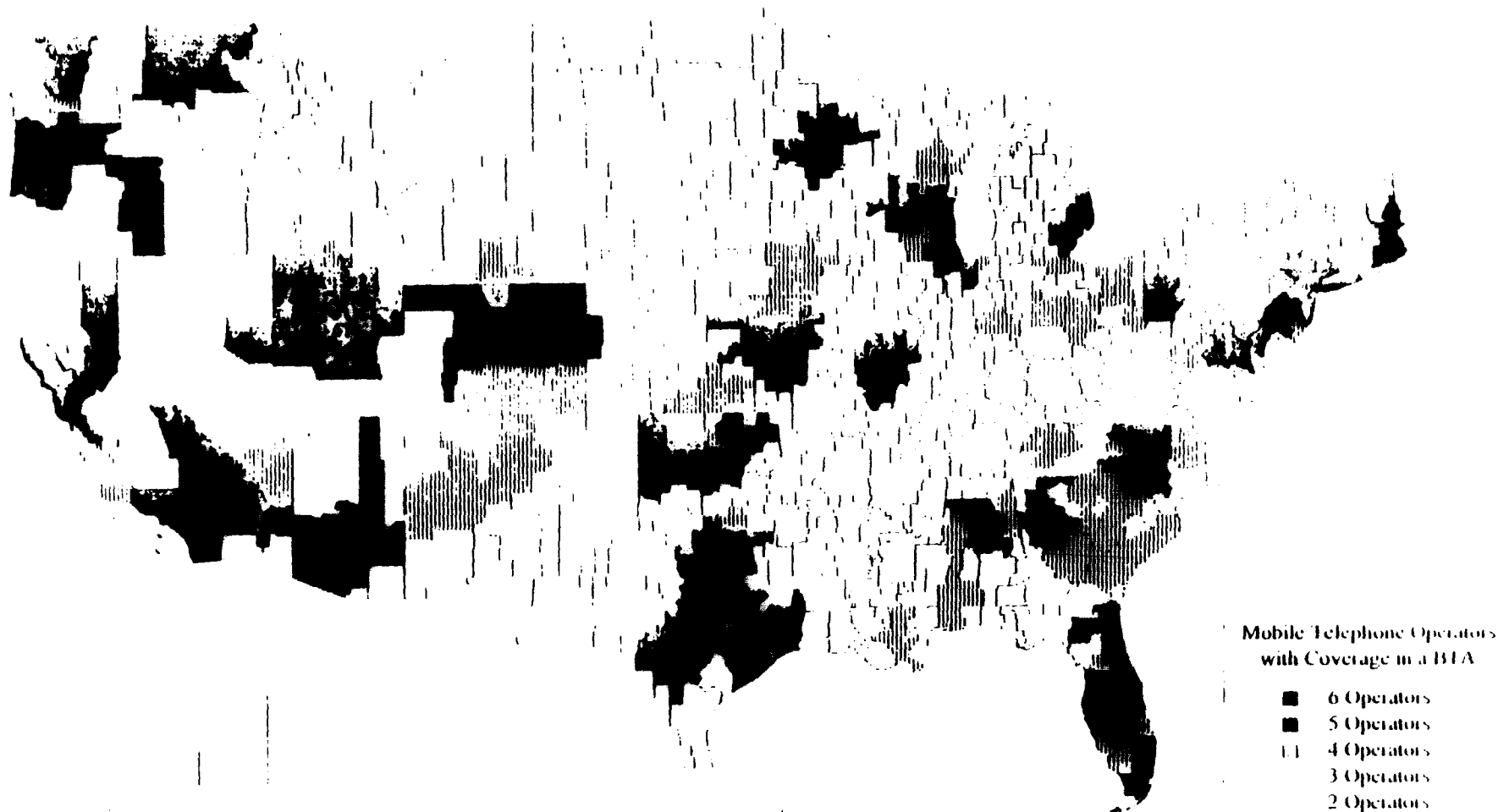
Wireless Telecommunications Bureau contacts: Alexander Byron at (202) 418-0629 or
Cynthia Schieber at (202) 418-7530

Total U.S. Wireless Subscribers: 1993 to 1997



Estimated Mobile Telephony Service Deployment: Number of Operators* in Each BTA with Some Level of Coverage

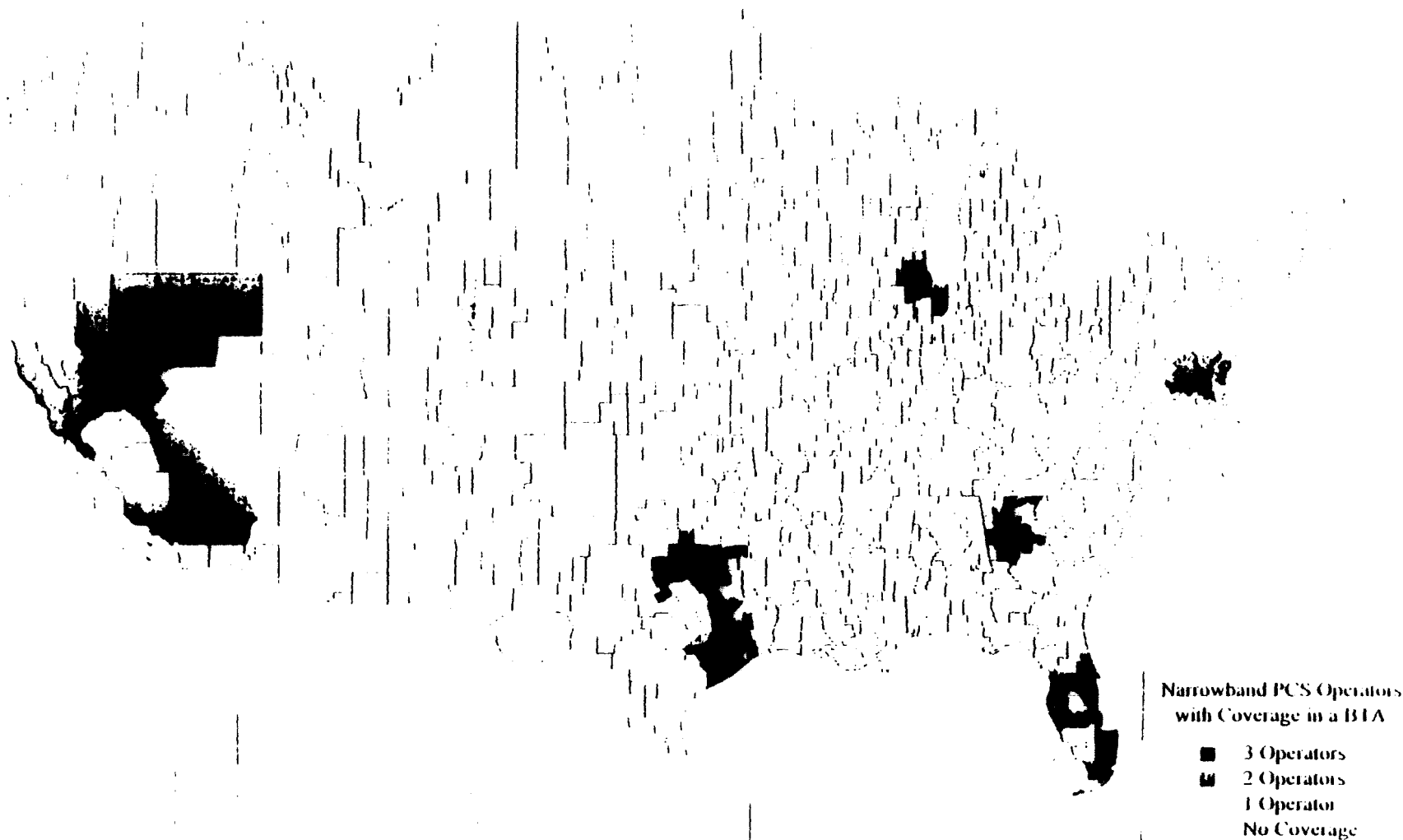
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* Mobile telephone operators included in analysis are cellular, broadband PCS, and Nextel Communications.

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Estimated Narrowband PCS Service Rollouts: Number of Operators in Each BTA with Some Level of Coverage



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May 14, 1998

Separate Statement of Chairman William E. Kennard
Third Annual Commercial Mobile Radio Services Competition Report

This marks the third time the Commission has issued a report on competition within the Commercial Mobile Radio Services. I am extremely proud that much has changed since the first report was issued. Since that time, we have seen significant growth in the number of wireless competitors and an increase in the services available to consumers. Thanks to our wireless auctions, duopoly in wireless telephony is now a thing of the past in many markets, and some markets have five or more operating providers. Now every other person on K Street has a wireless phone. But, more importantly, the benefits of wireless telephony are now finding their way to Main Street, USA in smaller towns across America. There are currently 55 million subscribers of wireless telephone service in the United States, people who now use a technology that was rarely seen only a few years ago. More will follow as buildout continues. As the level of competition increases, we should expect to see lower prices and better service for consumers.

The CMRS Competition Report also shows that the paging industry is extremely competitive. For example, it states that the 25 largest cities in the US have an average of 29 paging licensees, not including resellers, while the 25 smallest SMAs have an average of 12 licensees per area. I believe the industry and this Commission have done a lot to foster this competition.

Finally, the report suggests that some wireless providers are gearing up to compete against wireline providers. We should explore every available opportunity to promote that competition. Our exploration should include using the regulatory authority we now have to hasten the day when consumers begin to view wireless as a real substitute for wireline, and not just a complement. We should also recognize Congress's important role in promoting competition. I believe we should work with Congress to eliminate regulatory obstacles to the development of fixed, as well as mobile, wireless communications services. It would also be helpful for Congress to eliminate obstacles to the rapid deployment of wireless services. One important step would be to clarify that our licenses cannot be tied up in bankruptcy.

This report confirms that the market for wireless services is a dynamic, expanding market that is providing new services to consumers at lower prices. We should be heartened by its findings, and commit to do all that we can to ensure that the positive trends identified in the report continue. If we are successful, we will make a tremendous difference in the lives of the American people.